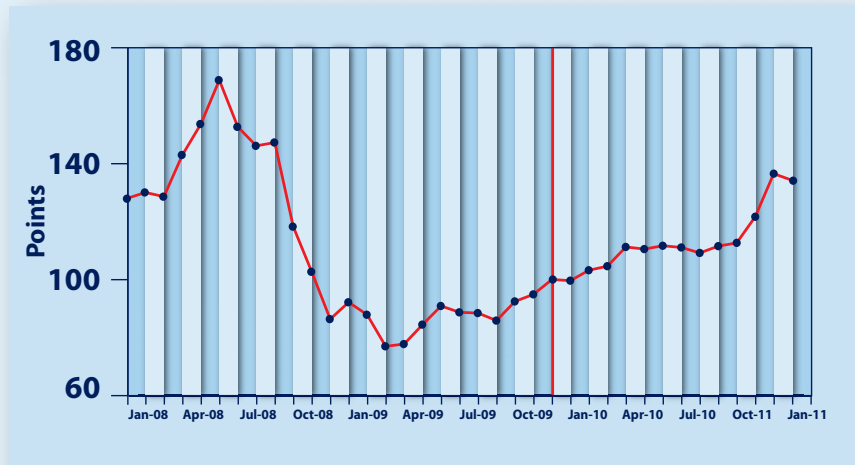


Bord Gáis Energy Index

JANUARY 2011

ENERGY INDEX FALLS 1% DESPITE OIL TRADING ABOVE \$100 FOR THE FIRST TIME SINCE SEPTEMBER 2008.

Bord Gáis Energy Index (Dec 31st 2009 = 100)



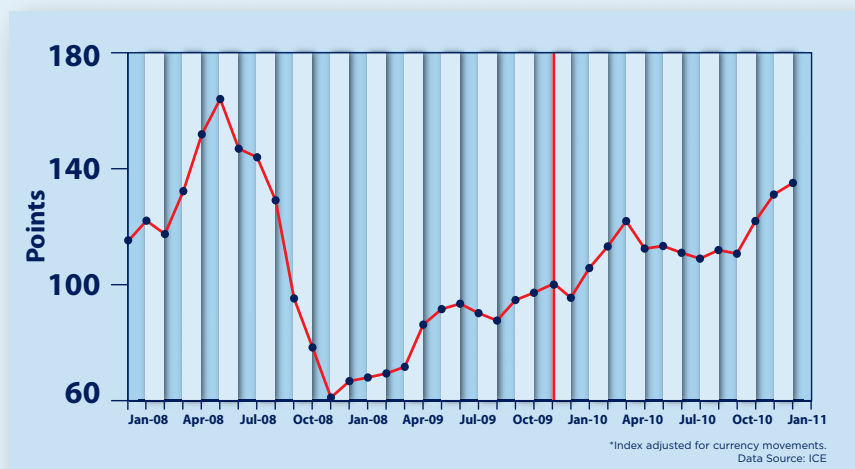
1 Mth **-1%** 3 Mth **19%** 12 Mth **35%**

OVERALL SUMMARY:

The Bord Gáis Energy Index fell 1% in January to 135 as lower natural gas, coal and electricity prices combined with a strengthening of the Euro versus the US Dollar helped to offset a \$6.26 rise in oil prices. Had oil prices remained unchanged then the index would have dropped below 130.

Oil prices rose due to social unrest in Egypt and increasing emerging market demand. Natural gas prices fell as temperatures increased and the market remained well supplied with Liquefied Natural Gas and Norwegian pipeline deliveries. Coal prices ended the month lower despite supply problems in Australia and South Africa due to the end of the northern hemisphere winter being in sight. Electricity prices also fell on lower system demand.

Oil Index



1 Mth **4%** 3 Mth **23%** 12 Mth **43%**

OIL

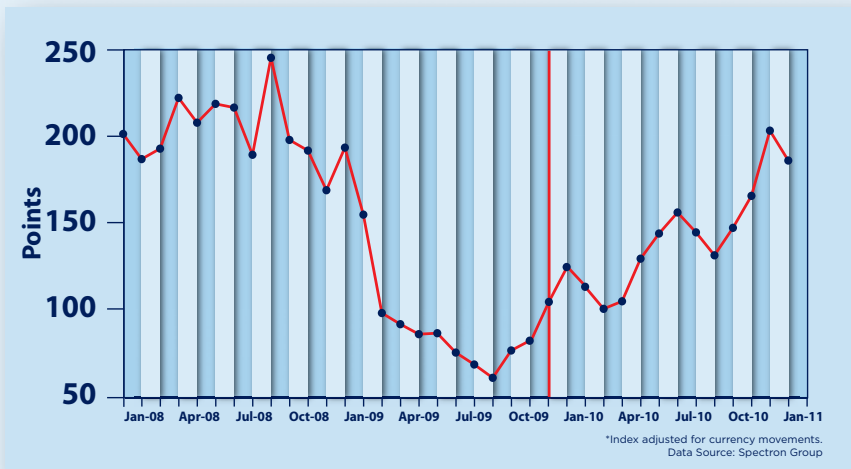
Brent crude prices settled \$6.26 higher for the month of January. Political unrest in Egypt led to nervousness surrounding the safe passage of oil tankers carrying 8% of the world's oil from the middle east through the Suez canal to the west. This compounded an already strong upward trend in prices due to increasing emerging economy oil demand. OPEC members have been reluctant to convene a meeting prior to the one scheduled for June to discuss the possibility of releasing some spare oil production capacity onto the markets to cool prices.

Bord Gáis Energy Index

JANUARY 2011



Natural Gas Index

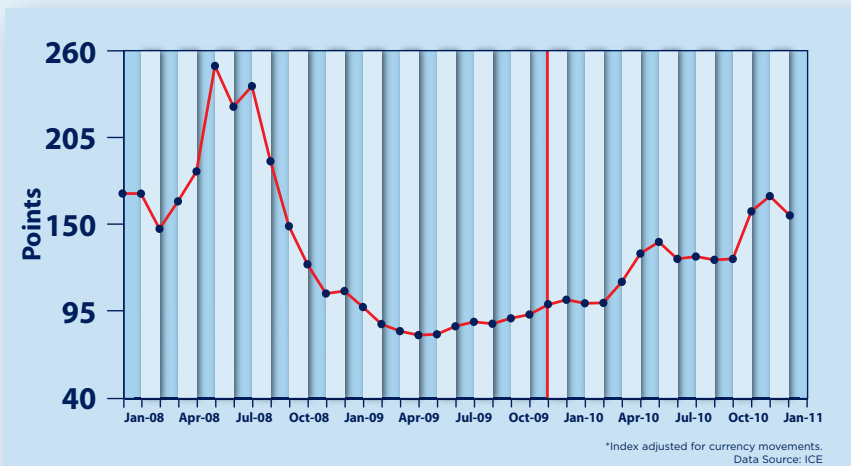


1 Mth **-8%** 3 Mth **27%** 12 Mth **50%**

NATURAL GAS

A rise in temperatures to seasonal normal averages in the first week of January following the coldest December in over 100 years in Ireland and the UK resulted in a corresponding drop in natural gas prices. Record Liquefied Natural Gas cargo arrivals helped prices stabilise in a 54p to 58p per therm range despite another cold snap at the end of the month. Strong flows were also seen from Norwegian producers in mid January but these fell off at the end of the month due to problems at the Kollsnes processing plant.

Coal Index

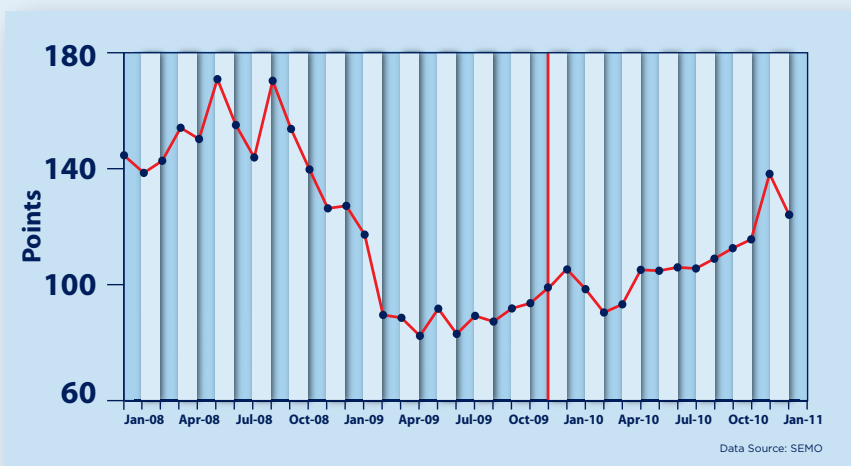


1 Mth **-7%** 3 Mth **22%** 12 Mth **52%**

COAL

Coal prices initially rose to over \$130 per tonne early in the month as flooding in Queensland, Australia impacted 48 of 57 coal mines in the state. Derailments of trains transporting coal to Richards Bay in South Africa also drove prices higher as stocks at the terminal were drawn down to 1.5 million tonnes from their usual level of 2.4 million metric tonnes. However prices eased to close the month at \$118.50 per tonne as the northern hemisphere spring season approaches and temperatures should start to rise.

Electricity Index



1 Mth **-8%** 3 Mth **11%** 12 Mth **19%**

ELECTRICITY

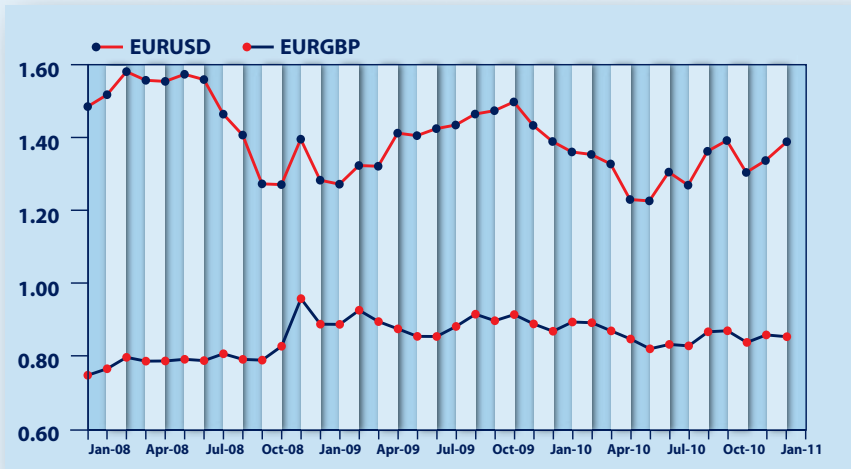
The average SMP price was down €7/MWh from the previous month to €64/MWh. This was due to milder weather and the availability issues of generators in the previous month being resolved. Wind peaked at 1,254MW which resulted in some thermal generators being turned off in the middle of January. Despite the average SMP decreasing, prices over the peak time between 5pm and 9pm were seen to increase as more expensive peaker plants were called on to the system to meet higher demand.

Bord Gáis Energy Index

JANUARY 2011



FX Rates



1 Mth	2%	3 Mth	-2%	12 Mth	-1%	EURUSD
1 Mth	0%	3 Mth	-2%	12 Mth	-2%	EURGBP

FX RATES

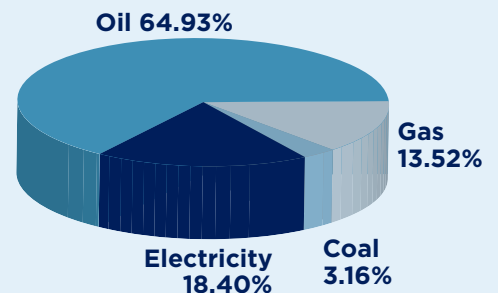
After selling off to below the \$1.30 level in the first week of 2011 the Euro staged a strong comeback versus the US Dollar to close the month at \$1.37, 2% higher for the month. The recovery versus the US Dollar was driven by a sentiment in the market that Europe is getting to grips with its fiscal crisis and hints by the ECB that interest rates will rise sooner rather than later as Eurozone inflation rose above the 2% target. The Euro also rebounded versus Sterling from a low of £0.83 to close the month at £0.854.

MARKET OUTLOOK:

Oil prices have risen out along the curve over the past month suggesting the market believes that the commodity has found a new, long run trading range. OPEC has said that the recent higher prices are not due to supply and demand fundamentals but rather the social unrest in Egypt and the surrounding region. While keen to avert any danger posed by higher oil prices to the global economic recovery the organisation says that releasing spare capacity will not ease prices in the current circumstance. Natural gas prices could see further falls as we come out of the winter season however, oil prices are giving support to prices further out along the curve. The coal price outlook will continue to be influenced by the extent of flood damage in Australia. Electricity prices remain closely linked to gas and coal prices and the amount of wind on the system.

RE-WEIGHTING OF BORD GÁIS ENERGY INDEX:

Following the SEAI's 2009 review of energy consumption in Ireland, released in Q4 2010, there was a 9.3% drop in overall energy consumption. The most notable drop of 1.39% was in oil consumption in the form of gasoline and diesel. This reflects the economic downturn experienced at the time. The share of natural gas and electricity increased by 0.63% and 0.57% respectively. An increase in the use of renewables and peat, at the expense of coal in electricity generation was also observed. As a result the Bord Gáis Energy Index has been reweighted to reflect the latest consumption data. This has had a minimal effect on the overall shape of the Index, but may indicate future trends.



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